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DEPARTMENT FOR AF/W

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SUBJECT: PRESIDENT KOROMA'S FIRST MEETING WITH THE

INTERNATIONAL DONOR COMMUNITY

- 11. (SBU) Summary: On 16 July 2008, President Koroma hosted the first official State House meeting between the Government of Sierra Leone and the international donor community since his inauguration in September 2007. The international community had requested such a meeting for most of the past year. The meeting was dominated by President Koroma,s outline of his administration's development priorities, his request for more resources from each partner, and a asking partners to encourage new donors to the Sierra Leone table. The President reiterated his three top priorities in order: energy, agriculture and infrastructure (though the Poverty Reduction Strategy Paper identifies at least five). He highlighted Sierra Leone's continued placement at the bottom of the UN Human Development Index, citing extreme poverty and corruption as key obstacles to development. Further, President Koroma repeated the pressure he felt from the unrealistic expectations by the citizens of Sierra Leone for their lives to be rapidly and significantly improved. He predicted that without an increase in financial and development assistance, Sierra Leone will not continue its ascent from poverty, war and despair. End Summary
- (SBU) On 16 July 2008, President Koroma hosted his first meeting with the international donor community &as a group.8 Such a meeting was viewed by some as long overdue and was held in response to repeated requests by the international community (IC) for the government to engage IC members more formally and frequently as a group as had been done in the past. The meeting provided President Koroma a venue to reiterate his development priorities and seek additional financial and technical support for Sierra Leone but did not afford the time for a real development dialogue. In this context, he touched upon the status of the pending Poverty Reduction Strategy Paper (PRSP), which was due the end of June, the subsequent first Consultative Group (CG) meeting of his administration (in November) and the need for improved aid coordination and donor harmonization. International participants included: key Chiefs of Missions, U.S. Ambassador Perry, UK and Nigerian High Commissioners, the Ambassador to Germany, the EC Head of Delegation, and the temporary UNIOSIL/ERSG. Country Representatives from the World Bank, Africa Development Bank, various UN offices, DFID, Irish Aid and USAID participated. Government officials included the President, Vice President, the Secretary to the President, Ministers of Foreign Affairs and Finance, as well as the Bank of Sierra Leone Governor, the Statistician General from Statistics Sierra Leone, the President's Strategy and Policy Unit (SPU) and the Development Assistance Coordinating Office (DACO)) now within the Ministry of Finance and Economic Development.
- ¶3. (SBU) President Koroma, s Keynote Address entailed a brief status report of the government's progress to date and highlighted the country's development needs and gaps. The President reminded the audience that soon after the Presidential and Parliamentary elections in Fall 2008, he held the &Bumbuna Retreat, 8 where he consulted with

Ministers and other key stakeholders to establish his &Agenda for Change,8 harmonizing the Government of Sierra Leone's (GoSL) development priorities and needs. In this forum with the international donors, he clearly stated that his number one priority remained energy, stating the current capacity at 6 megawatts, while current demand is 250 megawatts. He impressed that providing energy would ensure and improve social service delivery, health, education and private sector investment. His second priority is rebuilding the agriculture sector, and third, significantly addressing the infrastructure crisis (i.e., poor and/or insufficient road network, energy/utilities, key buildings, etc.)

(SBU) The President said he wanted to meet with the IC to ¶4. share his new vision and plan and to provide an update on some overall issues. He said he had appointed a Core Group to work on the PRSP II, an informal draft unofficially available for review and comment. He said he hoped PRSP II would be a significantly stronger document than the PRSP I, citing lack of sufficient and timely promised financial support from the donors, and poor follow-up by the previous government as key factors that resulted in insufficiently tangible and needed results under PRSP I. The President indicated that PRSP II would be completed and circulated to the IC around mid-August, after which a CG would be held. To temporarily quell rumors and speculation, under current newspaper headlines touting, &seven Ministers will be sacked,8 the President said all Ministers signed performance contracts with the GoSL and those performances were under review. He said the specific results of the reviews will not be shared; however, the IC would see the ultimate results of the reviews in a public announcement.

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- (SBU) Touched upon the July 5 local elections, the President thanked its financial and technical supporters and praised the elections as maintaining the free and fair standards of the 2007 elections. He said, &We are front-runners of free and fair elections. We want to hold on to that. With democratic dividends, expectations will be high.8 He then talked about his Anti-Corruption Strategy and the current review of the 2000 Anti-Corruption bill, which is in a pre-legislative hearing.8 He opined that subsequent to the Bumbuna Retreat, problems have intensified with the soaring price of fuel and food, especially rice. &These issues directly impact the citizens of Sierra Leone,8 he added. He cited that, &Rice has more than doubled in price since last year, costing \$350/metric ton last year and \$1000/metric ton now. Fuel was \$75/barrel last year and is now exceeding \$140/barrel today.8 Again, he asked the donors to consider providing more financial support, arguing that if the &very very high expectations of the people are unmet, there is a potential to undermine the security situation.8 He reiterated his priorities and appealed to the donors to &realign your assistance and support in line with my priority agenda. We are expecting substantial donor support. If we don't make substantial change, citizens, expectations will not be met.8
- 16. (SBU) President Koroma closed his Keynote Address by asking for four to five times the current level of financial support, promising substantial impact reinforced by political will. He claimed that less than 50% of the PRSP I commitments were actually dispersed and if that happens again the government will be unable to meet donor targets. He said the government-donor partnership must make a difference in the next two years and that interventions must be meaningful and significant, ¬ business as usual.8 The President assured the donors that there would be no corruption and that all funds would go where they are targeted.
- 17. (SBU) President Koroma, s Keynote Address was followed by about 20 minutes of responses from various heads of Mission, mostly thanking the President for hosting the government-donor meeting and asking for more frequent

scheduled meetings of this sort. Basket fund donors commented on their development activity and DFID used the forum to announce the provision of 10 million pounds in Direct Budget Support, focused on anti-corruption and the need to address education. The EC focused on the food crisis and indicated it was seeking additionally and stronger support for DBS. The IBRD requested reinstatement at the government-donor quarterly &DEPAC8 meetings (Development Partnership Committee) held under the previous government and welcomed the CG upon completion of the PRSP II. The ERSG updated the President about the UNIOSIL transition plan underway to change from a &peacekeeping8 mission to one that is &peace building.8 The ERSG stated he expected the newly configured UN in Sierra Leone to undertake fewer but more concrete projects which would yield more tangible results. Ambassador Perry congratulated the President on the peaceful local elections and assured him of the USG,s alignment with his priorities of anti-corruption, sustainable economic growth and ensuring an enabling environment to attract foreign investment and foster an effective private sector. The Ambassador reiterated the importance of donor coordination; convergence with the GoSL; and affirmed the USG intention to work efficiently with the government.

18. (SBU) Comment: The meeting seemed to primarily serve three functions for the President: 1) provide a high profile venue to request additional financial and technical support, 2) reaffirm his development priorities, and 3) host a long overdue meeting between the President and some members of his Cabinet with the international donor and diplomatic community, &as a collective.8 Although the government demurred on the exact date/venue of the next CG, subsequent discussions within the donor community indicate a likely CG in November. The donors are pressing for a Freetown venue; however, the GoSL is requesting London. End Comment. FEDZER